

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GARRARD COUNTY WATER ASSOCIATION, INC.) CASE NO. 89-187

ORDER TO CEASE AND DESIST AND TO SHOW CAUSE

The Commission has received an informal complaint against the Garrard County Water Association, Inc. ("Garrard County") alleging that Garrard County has charged the complainants an unauthorized "impact fee." The Commission finds from the documentation attached hereto and marked Exhibit A that a prima facie showing has been made that Garrard County has implemented a fee without notification to or approval by the Commission in violation of the provisions of KRS Chapter 278.

In addition, it has come to the attention of the Commission that certain of the rules and regulations contained in Garrard County's tariff of September 19, 1984, as well as a provision of its regulations regarding distribution line extensions, are inconsistent with and contrary to the provisions of KRS Chapter 278.

IT IS THEREFORE ORDERED that Garrard County shall appear at a hearing scheduled for August 3, 1989 at 1:30 p.m., Eastern Daylight Time, in Hearing Room No. 2 at 677 Commanche Trail, Frankfort, Kentucky, and be prepared to show cause:

(1) Why it should not be required to refund any unauthorized "impact fees" collected prior to receiving Commission approval, and/or be otherwise penalized under KRS 278.990 for violating provisions of KRS Chapter 278, including KRS 278.160 and KRS 278.280, as implemented by 807 KAR 5:066, Section 12(4).

(2) Why it should not be required to amend the following rules and regulations contained in its tariff of September 19, 1984, a copy of which is attached hereto and marked Exhibit B, in a manner consistent with 807 KAR 5:066, Sections 13(a), 13(b), and 11, respectively:

1. That portion of Section IV(A) which reads as follows:

The cost of the service line or lines from the main distribution line or lines of the Company to the property line of each member shall be paid initially by the Company and the cost shall then be charged to the customer.

2. That portion of Section IV(B) which reads as follows:

. . . provided that the Company may, if the Board of Directors so elect, purchase the pipe for and install such portion of such service line or lines, the cost of which will, however, be paid by the individual members.

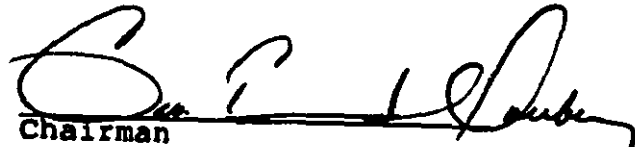
3. Sections VI(G) and (H).

(3) Why it should not be required to amend Section 10 of its "Regulations Regarding Distribution Line Extensions Made for Individual Residences and Subdivisions," a copy of which is attached hereto and marked Exhibit C.

This provision is inconsistent with KRS 278.0152 when considered in conjunction with Garrard County's connection fee set out in first revised sheet No. 1A of its tariff dated September 9, 1986.

Done at Frankfort, Kentucky, this 10th day of July, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

790076306

CECIL C. SANDERS
JAMES S. SANDERS

LAW OFFICES
SANDERS AND SANDERS
P. O. BOX 571
100 PAULDING STREET
LANCASTER, KENTUCKY 40444-0571

TELEPHONE
AREA 606
792-3021

May 5, 1989

RECEIVED

FILED

MAY 08 1989

Mr. Jordan Neal
Public Service Commission
730 Schenkel Land, P.O. Box 615
Frankfort, Kentucky 40602

MAY 08 1989

RATES AND TARIFFS

**PUBLIC SERVICE
COMMISSION**

Dear Mr. Neal:

On behalf of Danny Irvin, Glenn May, Jess Correll and Norman Oliver d/b/a IMCO Development I am filing a complaint against the Garrard County Water Association.

The Water Association has required IMCO to pay a "impact fee" of \$8,250.00 prior to approving the construction of water lines for a subdivision known as Lancashire Estates.

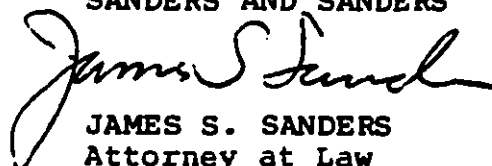
Enclosed is the letter from Mr. Ward, the executive director, dated 4/10/89 setting out the fee, and the Agreement and Letter of Understanding which to the best of the developers' knowledge is the first agreement between the water association and subdividers which provides for impact fees.

The fee was paid by IMCO under protest so that construction on the water lines could begin, however, according to phone conversation with you from Mr. Irvin no PSC approval has been given for such fees.

If PSC prior approval for impact fees are necessary, and have not been given, IMCO requests that the Garrard County Water Association be ordered to refund the amount already paid under protest and that IMCO be allowed to continue its water line construction under those requirements and standards which have been approved as of the date of the agreement.

Sincerely,

SANDERS AND SANDERS


JAMES S. SANDERS
Attorney at Law

JSS:jl

Encls

EXHIBIT A

Garrard County Water Association, Inc.

315 LEXINGTON ROAD
LANCASTER, KENTUCKY 40444

TELEPHONE 792-4501

April 10, 1989

IMCO Development
31 Public Square
Lancaster, KY 40444

Dear Sirs:

The Board of Directors of this utility has given final approval for construction of your water line extension to serve Lancashire Estates. The construction may begin with the signing of the Letter of Agreement and Understanding by your firm and the Association. The payment of the "off-site" (impact) fee in the amount of \$8,250.00 will be required at that time.

The amount of the impact fee is based on the engineering analysis by the Association's engineering firm, Kenroy Engineers. These monies will be used for future improvements to the existing distribution system so that adequate and reliable service can be sustained to your future property owners.

The Letter of Agreement and Understanding shall be ready for signing by April 12. I shall call to arrange an appointment.

Sincerely,



Harold C. Ward
Executive Director/President

HCW/lp

AGREEMENT
AND
LETTER OF UNDERSTANDING

This Agreement and Letter of Understanding by and between the Garrard County Water Association (hereinafter "the Association") and Danny Irvin, Glenn May, Jess Correll and Norman Oliver dba IMCO Development (hereinafter "IMCO Development") hereby reduces to writing those obligations and responsibilities binding upon both in the construction and matters relevant thereto of a water line extension to serve Lancashire Estates located on Highway U.S. 27, Garrard County, Kentucky.

Said construction shall begin on the east side of U.S. 27 where a six (6) inch water main now exists. Said construction shall cross U.S. 27 into and through Lancashire Estates. IMCO Development shall construct approximately forty-nine hundred and fifty (4,950) feet of six (6) and four (4) inch water line in accordance with the construction plans as previously approved by and now of record with the Division of Water, Department of Environmental Protection, Frankfort, Kentucky. Said plans are hereby incorporated by reference.

IMCO Development (their agents, contractors and subcontractors) shall be responsible for all phases of said construction to specifications outlined in the attached supplement, Requirements and Specifications of Developers and Subdividers (hereinafter the "Requirements") and same Requirements are hereby made part of this agreement and incorporated by reference. IMCO Development (their agents, contractors and subcontractors) shall be responsible for any and all forms of liability insurance including but not limited to workmen's compensation

and general liability insurance relating to both personal injury and property damage.

IMCO Development shall bear all costs of construction (hereinafter "costs") such costs to include actual construction, engineering and inspection. IMCO Development's costs relating to said waterline are attached hereto made part of as if fully copied herein. IMCO Development shall also pay to the Association an impact fee of \$8,250.00, these monies to be set aside to make future improvements to the existing distribution system as it is affected by this development. This amount is payable at the signing of this instrument and receipt of same is acknowledged with said signing by the Association. ✓

As water meters are placed in service the Association shall refund to IMCO Development amounts equal to the cost of construction of fifty feet of said waterline for each meter placed in service. Said amounts shall be determined by dividing the total cost of construction by total footage constructed. Said costs shall be based on the "line-item" list attached hereto made part hereof as if fully copied herein. However, the Association shall bear no liability greater than IMCO Development's total costs and furthermore shall bear no liability for refunds more than ten (10) years from date the extension is placed in service.

Any and all construction performed by IMCO Development (their agent contractors and subcontractors) shall be subject to and conditioned upon the Association inspection and approval. Any and all disputes arising from construction and relevant matters between IMCO Development and the Association shall be reviewed and determined by the Association's Executive Director. Any decision of the Executive Director shall be

appealable to the Association's Board of Directors whose decision is final and binding.

In witness whereof the parties do set their hands hereto this 13 day of April, 1989.

IMCO DEVELOPMENT

BY: *Harry J. [Signature]*

GARRARD COUNTY WATER ASSOCIATION, INC.

BY: *Robert [Signature], Pres.*

Line Item Costs

Line item costs of IMCO Development for a waterline extension to serve Lancashire Estates located on U.S. 27 North of Lancaster, Garrard County, Kentucky.

These costs are a part of the Agreement and Letter of Understanding between IMCO Development and the Garrard County Water Association.

<u>Item</u>	<u>Cost Basis</u>
6 inch, Class 200 pipe, trenched and backfilled	3.95 per foot
4 inch, Class 200 pipe, trenched and backfilled	2.55 per foot
Road bore and steel casing	63.00 per foot
4 inch blow-off	270.00 each
6 inch blow-off	350.00 each
4 inch gate valve and box	270.00 each
6 inch gate valve and box	350.00 each
6 inch wet tap including materials	950.00 each
Rock	6.00 per ton

Garrard County Water Association, Inc.

315 LEXINGTON ROAD

LANCASTER, KENTUCKY 40444

TELEPHONE 792-4501

May 24, 1989

RECEIVED

MAY 24 1989

Mr. Bob Johnston, Manager
Consumer Services
Kentucky Public Service Commission
P. O. Box 615
Frankfort, Kentucky 40602

PUBLIC SERVICE COMMISSION
CONSUMER SERVICES

Re: IMCO Development inquiry, internal control
#890076306

Dear Mr. Johnston:

In November of 1988, the Board of Directors of the Association began discussing the repercussions to the existing distribution system and its water storage capacities by the large number of housing developments proposed in our service area. Given that the existing system was engineered and built to serve a basically rural consumer base, the addition of any significant number of larger subdivisions (twenty units or more) would impose the necessity of system improvements so that the Association could meet the demands of its existing and future customers. As new customers request service, the Association is faced with the certainty and expense of building larger distribution lines, the installation of booster pumping facilities, and the construction of additional storage facilities.

Likewise, the Association confronts financing these necessary improvements. It is unfair to place the total burden of financing these improvements on present consumers who are now paying principal and interest on the existing distribution system. The Board of Directors feel it is fair to require developers to pay their "fair-share" of the pending expense for system improvements so their subdivided properties may receive service. This past February the Board amended its Regulations for Distribution Line Extensions to include the requirement of "off-site" fees. (Copy enclosed).

The "off-site" improvement or impact fees are determined in what we believe is a fair and reasonable manner. As each development is proposed, the Association requests its engineering firm (Kenroy Engineers of Lexington, Kentucky) to evaluate effects of the development on the existing distribution system and related system storage. These recommendations are then translated into actual physical construction requirements. Assessments are collected where individual construction requirements are not practical. If monies are collected in lieu of actual construction,

they accumulate with other such monies and later applied to make necessary improvements.

Regarding IMCO Development, the "off-site" improvement requirement suggested by Kenroy Engineers (copy of letter enclosed) was for IMCO to be responsible for 1,000 feet of existing six (6) inch distribution main. The \$8,250.00 figure was determined by the estimated cost of \$7.50 per foot plus ten percent to cover the costs of valves and tie-ins as required. IMCO satisfied the system improvement requirement through a cash payment since actual construction of only 1,000 feet of parallel pipe was impractical. IMCO did not object in principle.

In answer to your first specific request, enclosed please find a copy of the Agreement and Letter of Understanding between IMCO Development and the Association. Your review of this document will reveal that the Association will participate in the construction costs of this development as perscribed by 807 KAR 5:066, Section 12, Item 3.

In answer to your second specific request, refer to the previously mentioned and enclosed document, Regulations for Distribution Line Extensions. The same document was previously forwarded as an attachment to a letter addressed to Mr. Claude Rhorer on February 17, 1989 for review in an unrelated matter. Since then, I have had several telephone conversations with Mr. Michael Newton, Mr. George Sallee, and Mrs. Jordan Neal regarding the February letter to Mr. Rhorer. To date, no correspondence from the Commission has been received. With all respect, the Association does question that impact fees are a true tariff matter so long as the regulations of the Commission are met, as we feel they are.

The Association realizes its incumbent responsibility to make decisions to ensure that adequate water service is available to any customer requesting service. This same responsibility encompasses the establishment of adequate facilities to meet the anticipated demand for service and provide a means of financing those facilities that will place the financial burden on those parties most responsible.

Trusting that your questions are answered, please feel free to consult and advise with me on this or other matters of concern.

Sincerely,



Harold C. Ward

President/Executive Director

cc: Hon. Mark H. Metcalf
Enclosures

Garrard County Water Association, Inc.

315 LEXINGTON ROAD

LANCASTER, KENTUCKY 40444

TELEPHONE 792-4501

REGULATIONS OF GARRARD COUNTY WATER ASSOCIATION REGARDING DISTRIBUTION LINE EXTENSIONS MADE FOR INDIVIDUAL RESIDENCES AND SUBDIVISIONS

A. The following regulations address approval of any extension and require compliance prior to the initiation of any construction by a developer.

1. Three copies of the plat of the proposed extension shall be submitted to the Association. These shall be submitted to the Association's engineering firm for comments in design and compatability to the existing system. Said plats must bear the seal of a civil engineer. [Developers may be required to participate in "off-site" improvements to the existing distribution system if the engineering review should indicate that such improvements are necessary.]

2. Following approval or revision by the Association's engineering firm, said plats must be submitted to the Division of Water in Frankfort for approval. This submittal will be handled by the Association's office.

3. Costs of the proposed extension shall be submitted to the Association on a "line item basis." Each item in the proposed construction shall have an exact cost stated. These costs shall require approval by the Board of Directors of the Garrard County Water Association.

4. All right-of-way easements shall be drawn in proper legal form and submitted to the Association. Right-of-way easements shall extend to the boundaries of the property or properties involved.

5. The party or parties involved with the proposed extension shall enter into a binding agreement with the Association stating the nature of the extension and the duties and responsibilities of both the developer and the Association.

6. Following satisfactory completion of the above regulations the Board of Directors shall then give final approval to the proposed extension provided no circumstances exist making delay prudent. Construction may begin with written notice from the Association. The Association reserves the right to require at its discretion a performance or cash bond should the Board of Directors deem it necessary and proper.

B. Construction standards and requirements:

1. Distribution line will be sized to the requirements of

the proposed project and will be a minimum of 4 inch pipe with 200 P.S.I. rated or greater if pressures dictate. Line size greater than 4 inch may be required to accommodate future extension(s).

2. Distribution line will be installed with a minimum of 30 inches of cover. All line will be bedded top and bottom with 6 inches of clean dirt, or if unavailable, #11 grave. All rock areas will require the #11 gravel.

3. All tees and ells will be cast iron type and installed with concrete blocking.

4. Valves will be iron body type with operating nut installed with a steel valve box. Concrete blocking will be required as needed.

5. All taps and final connections will be observed by Garrard County Water Association personnel to insure the integrity of the existing system.

6. Construction inspection will be done by Association personnel. All construction must be observed by the inspector prior to backfilling. An inspection charge of \$20.00 per hour will be the responsibility of the developer.

7. When all construction is in place the new line will be pressure tested for a minimum of 8 hours. The new line must be flushed and then sterilized and reflushed. Association personnel will take a water sample for analysis. New line will be put in service only after a clean test. All costs of flushing and testing will be the responsibility of the developer.

8. The developer will be held financially responsible to ensure that all of the above guidelines are followed and to inform his contractor of these requirements.

9. The developer will be responsible for maintenance costs and water lost due to a rupture or break in the extension for one year following the date of completion of the extension. At the end of the one year period mentioned herein the developer will convey the extension to the Association, at which time the Association will assume ownership and be responsible for maintaining the line.

10. In some situations the Association may require the developer to install meter sets at the same time distribution line is installed (generally in "enclosed" sub-divisions with streets and curbing). Meter sets will have the following requirements: Concrete meter boxes, 200 P.S.I. flexible service line, corporation stops on saddles, and copper setters must have a locking device and check-valve incorporated in them.

(Specifications subject to change without notice)

KENNOY ENGINEERS

851 Corporate Drive
Lexington, Kentucky 40503
606-223-1000

January 13, 1989

Mr. Harold C. Ward, President
Garrard County Water Association
315 Lexington Road
Lancaster, Kentucky 40444

Re: Water Service Lancashire
Estates

Dear Coby:

We have reviewed the drawings for the proposed water line extensions to serve the subject project. If the proposed lines are constructed in accordance with the existing Garrard County Water Association specifications, the system as shown on the plans, with the modifications suggested below, should provide satisfactory service to future customers in that area. We recommend the addition of one 6" gate valve in the vicinity of Lot #36 (See Plans). Also, the U.S. 27 crossing should be made using a steel casing pipe.

As you are aware, pressures along U.S. 27 during peak flow conditions are approaching minimum standards. It is our opinion the additional peak flows generated by the proposed subdivision, coupled with the peak flows existing on U.S. 27, could significantly affect the pressures along that pipeline. We have made some calculations and have determined the installation of approximately 1,000 feet of 10" pipe parallel to the existing pipe on U.S. 27 to the south of the proposed subdivision, would be sufficient to reduce the head losses resulting from the increased flows for the proposed subdivision to values experienced at the present time. It is our opinion the developers of this subdivision, and any future subdivisions along U.S. 27, should be required to provide offsite facilities sufficient to maintain the level of service as it exists at the time of their application.

Both copies of the review plans are being returned with this letter.

Very truly yours,



Ronald E. Gastineau, P.E.

Enclosures

REG/dep

P.S.C. Ky. No. 2

Cancels P.S.C. Ky. No. 1

GARRARD COUNTY WATER ASSOCIATION, INC.

OF

LANCASTER, KENTUCKY

Rates, Rules and Regulations for Furnishing
WATER SERVICE

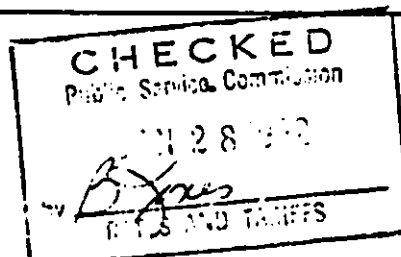
AT

GARRARD COUNTY AND PARTS OF LINCOLN COUNTY AND MADISON COUNTY

Filed with PUBLIC SERVICE COMMISSION OF
KENTUCKY

ISSUED DECEMBER 18, 1980

EFFECTIVE December 18, 1980



ISSUED BY GARRARD COUNTY WATER ASSN., INC
(Name of Utility)

BY Woodie Leavell
Woodie Leavell, President

Form for filing Rate Schedules

Garrard County and parts of
Lincoln and Madison counties
For _____
Community, Town or City

GARRARD COUNTY WATER ASSN., INC.
Name of Issuing Corporation

P.S.C. NO. _____
1st Revised _____
Original SHEET NO. 1
CANCELLING P.S.C. NO. _____
Original SHEET NO. 1

CLASSIFICATION OF SERVICE

	RATE PER UNIT
RESIDENTIAL, FARM, AND SMALL COMMERCIAL	
<u>5/8" X 3/4" Meter Schedule</u>	
First 1,000 Gallons	\$ 7.95 (Minimum Bill)
Next 1,000 Gallons	3.95 per 1,000 Gallons
Next 1,000 Gallons	2.95 per 1,000 Gallons
Next 2,000 Gallons	2.45 per 1,000 Gallons
All Over 5,000 Gallons	1.95 per 1,000 Gallons
LARGE COMMERCIAL, DAIRY FARM, AND SCHOOL CONNECTIONS	
<u>1" Meter Schedule</u>	
First 5,000 Gallons	\$19.75 (Minimum Bill)
All Over 5,000 Gallons	1.95 per 1,000 Gallons
<u>1 1/2" Meter Schedule</u>	
First 10,000 Gallons	\$29.50 (Minimum Bill)
All Over 10,000 Gallons	1.95 per 1,000 Gallons
<u>2" Meter Schedule</u>	
First 25,000 Gallons	\$58.75 (Minimum Bill)
All Over 25,000 Gallons	1.95 per 1,000 Gallons
BULK SALES	
\$3.20 per 1,000 Gallons	
Rates based on monthly consumption	
Penalty of 10% to all unpaid bills 20 days from date of bill.	

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

SEP 09 1986

PURSUANT TO KRS 205.011

BY: *J. L. DeGuzman*

DATE OF ISSUE _____
ISSUED BY *[Signature]*
Name of Officer

DATE EFFECTIVE September 9, 1986
TITLE President

Form for filing Rate Schedules

Garrard County and parts
For of Lincoln and Madison Co:
Community, Town, or City

P.S.C. Ky. NO. _____

1st Revised SHEET NO. 1A

Garrard County Water Association, Inc.
Name of Issuing Corporation

CANCELLING P.S.C. Ky. NO. _____

Original SHEET NO. 1A

CLASSIFICATION OF SERVICE

RATE
PER RATE

ONE TIME CHARGES

Connection fee for new service:

5/8" x 3/4" meter	\$325.00
1 inch meter	400.00
1 1/2 meter	500.00
2 inch meter	600.00

Re-connection fee (existing service) \$30.00

No deposit required.

Fire Hydrants: \$50.00 per year per hydrant

PUBLIC SERVICE COMMISSION
OF KENTUCKY

SEP 9 1986

PURSU. ORDER 5:011.
SECTION 1 (1)
BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER

DATE OF ISSUE

DATE EFFECTIVE 9-9-86

ISSUED BY

[Signature]
Name of Officer

TITLE President

Issued by authority of an Order of the Public Service Commission in
Case No. _____ dated _____

Garrard County and parts of
FOR Lincoln Co. and Madison Co.

P.S.C. Ky. No. 2

Original Sheet No. 1

Cancelling P.S.C. Ky. No. _____

_____ Sheet No. _____

Garrard County Water Association, Inc.

RULES AND REGULATIONS

I. Service Classification. There shall be no distinction of this category.

II. Service Application.

A. Any bona fide occupant of a single family dwelling; or to each residential unit in an auto court, duplex, or multiple dwelling building; or person holding property having reasonable accessibility to the source of and who is in need of having water supplied to his place of occupancy or property may be a member of this company by obtaining a membership certificate from the company. Persons who receive the approval of the Board of Directors may be admitted to membership upon subscribing for a membership certificate and by signing such agreements for the purchase of water as may be provided and required by the company. The membership certificate will be issued to those persons or firms who pay a connection fee.

B. The Company may reject any application for membership when the applicant is delinquent in payment of bills incurred for service previously supplied at any location.

SECTION 9 (1)
OF KENTUCKY
EFFECTIVE

Jordan C. Bell

DATE OF ISSUE 8 - 30 - 84
Month Day Year

DATE EFFECTIVE 9 - 19 - 84
Month Day Year

ISSUED BY [Signature]
Name of Officer

President Route 2, Paint Lick, Ky. 40461
Title Address

Garrard County and parts of
FOR Lincoln Co. and Madison Co.

P.S.C. Ky. No. 2

Original Sheet No. 2

Garrard County Water Association, Inc.

Cancelling P.S.C. Ky. No. _____

Sheet No. _____

RULES AND REGULATIONS

- C. Violation of any of the provisions of these rules, by-laws or any other regulation of the Company, the Company may remove the meter and discontinue service. Where the meter is thereafter reinstalled, the Member shall first pay to the Company a reinstallation fee equal to the cost of installation.
- D. The individual in whose name the membership certificate is prepared shall be responsible for payment of all bills incurred in connection with the service rendered.

III. Initial or Minimum Charges.

- A. The flat minimum monthly rate, as set up in the water rate schedule for the year, will be payable irrespective of whether any water is used by the member during any month.
- B. Water furnished for a given lot or farmstead shall be used on that lot only. Each member's service must be separately metered at a single delivery and metering point. All commercial use, including storerooms and stalls for business purposes shall be metered separately from any residential use, and vice versa.

PUBLIC SHELTER COMMISSION
CLERK
J. J. JONES
J. J. JONES

DATE OF ISSUE 8 - 30 - 84
Month Day Year

DATE EFFECTIVE 9 - 19 - 84
Month Day Year

ISSUED BY [Signature]
Name of Officer Title Address

Garrard County and parts of
FOR Lincoln Co. and Madison Co.

P.S.C. Ky. No. 2

Original Sheet No. 3

Cancelling P.S.C. Ky. No. _____

Sheet No. _____

Garrard County Water Association, Inc.

RULES AND REGULATIONS

- C. In addition to the collection of regular rates, the company may collect from the member a proportionate share of any ^{PUBLIC SERVICE COMMISSION} ~~privilege~~ ^{EFFECTIVE} sales, or use tax or impositions, based on gross revenue received by the Company.

PURSUANT TO 307 KAR 5:011,
SECTION 9(1)

BY: Jordan C. Keel

IV. Company's Responsibility.

- A. The Company will install, maintain and operate a main distribution pipeline or lines from the source of water supply, and service lines from the main distribution line or lines to the property line of each member of the Company at which points, designated as delivery points, meters to be purchased, installed, owned and maintained by the Company, shall be placed. The cost of the service line or lines from the main distribution line or lines of the Company to the property line of each member shall be paid initially by the Company and the cost shall then be charged to the customer. The Company will also purchase and install a cut-off valve in each service line from its main distribution line or lines, such cut-off valve to be owned and maintained by the Company and to be installed on same portion of the service line

DATE OF ISSUE 8-30-84
Month Day Year

DATE EFFECTIVE 9-19-84
Month Day Year

ISSUED BY [Signature]
Name of Officer

Title

Address

Garrard County and parts of
FOR Lincoln Co. and Madison Co.

P.S.C. Ky. No. 2

Original Sheet No. 3

Garrard County Water Association, Inc.

Cancelling P.S.C. Ky. No. _____

Sheet No. _____

RULES AND REGULATIONS

owned by the Company. The Company shall have the sole and exclusive right to use of such cut-off valve to turn it on and off.

- B. Each member shall be entitled to not to exceed one (1) service line from the Company's water system unless otherwise approved by the Board of Directors and provided that the member shall be required to pay the prevalent tap fee for each service line. No new service line or change in an existing service line may be made which will interfere with an existing service line or the delivery of water therein. Each service line shall connect with the company's water system at the nearest available place to the place of desired use by the member if the Company's water system shall be of sufficient capacity to permit the delivery of water through a service line at that place without interfering with the delivery of water through a prior service line. If the company's water system shall be inadequate to permit the delivery of water through a service line installed at such place without interfering with the delivery of water through a prior service line, then such service line shall be installed at such place as may be designated by the company.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

PURSUANT TO KRS 203.5011.
SECTION

[Signature]

DATE OF ISSUE 7-30-24
Month Day Year

DATE EFFECTIVE 7-17-24
Month Day Year

ISSUED BY *[Signature]*
Name of Officer

Title

Address

Garrard County and parts of
Lincoln Co. and Madison Co.
FOR

P.S.C. Ky. No. 2

Original Sheet No. 4

Garrard County Water Association, Inc.

Cancelling P.S.C. Ky. No. _____

Sheet No. _____

RULES AND REGULATIONS

Each member will be required to dig or have dug a ditch, to purchase and install, and to maintain such portion of the service line or lines from the property line of the member to his own dwelling; or other place of use on his premises at his own expense, provided that the Company may, if the Board of Directors so elect, purchase the pipe for and install such portion of such service line or lines, the cost of which will, however, be paid by the individual members.

PURSUANT TO CHAPTER 2011,
SECTION 9(1)

BY: Jordan C. Hill

V. Company's liability.

- A. The Company does not assume the responsibility of inspecting the member's piping or apparatus and will not be responsible therefor.
- B. The Company reserves the right to refuse service unless the Member's lines or piping are installed in such manner as to prevent cross-connections or back-flow.
- C. The Company shall not be liable for damage of any kind whatsoever resulting from water or the use of water on the member's premises, unless such damage results directly from negligence on the part of

DATE OF ISSUE 2-30-84

DATE EFFECTIVE 9-17-84

Month Day Year

Month Day Year

ISSUED BY [Signature]

Title

Address

Name of Officer

Garrard County and parts of
FOR Lincoln Co. and Madison Co.

P.S.C. Ky. No. 2

Original Sheet No. 5

Garrard County Water Association, Inc.

Cancelling P.S.C. Ky. No. _____

Sheet No. _____

RULES AND REGULATIONS

the Company. The Company shall not be responsible for any damage done or by resulting from any defects in piping, fixtures, or appliances on the member's premises. The Company shall not be responsible for negligence of the third persons, or forces beyond the control of the Company resulting in any interruption of service.

- D. Under normal conditions, the members will be notified of any anticipated interruptions of service.

VI. Member's Responsibility.

- A. Piping on the premises of the member must be so installed that the connections are conveniently located with respect to Company lines and mains.
- B. If the Company is called upon to provide additional meters, each place of metering will be considered as a separate and individual account.
- C. The Member shall provide a place of metering, which is unobstructed and accessible at all times.

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PURSUANT TO JOY KAR 5:011,
SECTION 9(1)

BY: Jordan P. Reed

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DATE EFFECTIVE 9 - 17 - 81
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Name of Officer

Title

Address

Garrard County and parts of
FOR Lincoln Co. and Madison Co.

P.S.C. Ky. No. 2

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Garrard County Water Association, Inc.

RULES AND REGULATIONS

- D. The Member shall furnish and maintain a private cut-off valve on the Member's side of the meter. The Company is to provide a like valve on the Company's side of such meter.
- E. The Member's piping and apparatus shall be installed and maintained by the Member at the Member's expense in a safe and efficient manner and in accordance with the Company rules and regulations and in full compliance with sanitary regulations of the State Board of Health.
- F. The Member shall guarantee proper protection for the Company's property placed on the member's premises and shall permit access to it only by authorized representatives of the Company.
- G. In the event that any loss or damage to the property of the Company or any accident or injury to persons or property is caused by or results from the negligence or wrongful act of the member, his agent or employees, the cost of the necessary repairs or replacements shall be paid by the member to the Company and any liability otherwise resulting shall be assumed by the member.
- H. The amount of such loss or damage or the cost of repairs shall be added to the member's bill and if not paid, service may be discontinued by the Company in accordance with Section 11 of the Act

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_____ Sheet No. _____

GARRARD COUNTY WATER ASSOCIATION, INC:

RULES AND REGULATIONS

807 KAR 5:006, Sect. 11.

- I. Water furnished by the Company shall be used for domestic consumption by the member, members of his household, and employees only. The member shall not sell water to any other person or permit any other person to use said water. Disregard for this rule shall be sufficient cause for refusal or discontinuance of service.

VII Extensions to Mains and Services.

- A. The company will supply service for temporary purposes, provided that the Company has water available in excess of the company's regular needs, and provided the Company has available material and equipment necessary to supply said service. Each applicant for such service must pay in advance to the Company the Company's estimate of cost of labor and materials, less salvage value on removal, for installing and cost of removing such service.

- B. An extension of fifty (50) feet or less shall be made by the Company to its existing distribution main without charge for a

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GARRARD COUNTY WATER ASSOCIATION, INC.:

RULES AND REGULATIONS

prospective customer who shall apply for and contract to use service for one (1) year or more and provides a guarantee for such service.

C. Other Extensions:

- (1) When an extension of the Company's main to serve an *Jordan Chel* applicant or group of applicants amounts to more than fifty (50) feet per applicant, the Company may if not inconsistent with its filed tariff require the total cost of the excessive footage over fifty (50) feet per customer to be deposited with the Company by the applicant or the applicants, based on the average estimated cost per foot of the total extension.
- (2) Each customer receiving service under such extension will be reimbursed under the following plan: Each year for a period of not less than ten (10) years, which for the purpose of this rule shall be the refund period, the Company shall refund to the customer or customers who paid for the excessive footage the cost of fifty (50) feet of the extension in place for each additional customer connected during the year whose service line is directly connected to the extensions installed and not to extensions or laterals therefrom, but in no case shall the

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Name of Officer

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Garrard County and parts of
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GARRARD COUNTY WATER ASSOCIATION, INC.

RULES AND REGULATIONS

total amount refunded exceed the amount paid the Company.

After the end of the refund period, no refund will be required to be made.

- D. An applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year for a period of not less than ten (10) years the Company shall refund to the applicant who paid for the extension a sum equal to the cost of fifty (50) feet of the extension installed for each additional customer connected during the year but in no case shall the total amount refunded exceed the amount paid to the Company. After the end of the refund period from the completion of the extension, no refund will be required to be made *Jordan C. Neel*
- E. Nothing contained herein shall be construed to prohibit the Company from making extensions under different arrangements provided such arrangements have been approved by the Public Service Commission.
- F. Nothing contained herein shall be construed as to prohibit the Company from making at its expense greater extensions than herein prescribed, should its judgment so dictate, provided like free extensions are made to other customers under similar conditions.

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ISSUED BY

David C. Neel
Name of Officer

Title

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Garrard County and parts of
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GARRARD COUNTY WATER ASSOCIATION, INC.

RULES AND REGULATIONS

VIII. Access to Premises.

- A. Duly authorized agents of the Company shall have access, at all reasonable hours, to the premises of the member for the purpose of installing or removing Company property, inspecting piping, reading or testing meters or for any other purpose in connection with the Company's service and facilities.
- B. Each member shall grant or convey, or shall cause to be granted or conveyed to the Company a permanent easement and right-of-way across any property owned or controlled by the member wherever said permanent easement and right-of-way is necessary for the Company water facilities and lines, so as to be able to furnish service to the member.

Jordan C. Neel

IX. Change of Occupancy.

- A. Not less than three days notice must be given in person or in writing to the Company to discontinue service or to change occupancy.
- B. The outgoing party shall be responsible for all water consumed up to the time of departure or the time specified for departure whichever period is longer.

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Garrard County Water Association, Inc.

RULES AND REGULATIONS

X. Meter Reading - Billing - Collection.

A. Meters will be read and bills rendered monthly, but the Company reserves the right to vary the dates or length or period covered, temporarily or permanently if necessary or desirable.

B. Bills for water will be figured in accordance with the Company's published rate schedule and will be based on the amount consumed for the period covered by the meter readings, except where a member orders turn-on, the minimum bill to such member for such period shall be equal to the minimum charge for one full month's service.

C. Charge for service commences when meter is installed and connection made, whether used or not.

D. Reading from different meters will not be combined for billing, irrespective of the fact that said meters may be for the same or different premises, or the same or different members, or for the same or different services.

E. Bills are due when rendered and delinquent after ten (10) days; if not paid in thirty (30) days, service may be discontinued by the Company in accordance with P.S.C. regulation 807 KAR 5:006, Sect. 11.

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Garrard County Water Association, Inc.

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F. Failure to receive bills or notices shall not prevent such bills from becoming delinquent nor relieve the member from payment.

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XI. Suspension of Service.

- A. When services are discontinued and all bills paid, membership certificates will be cancelled by the Company.
- B. Upon discontinuance of service for non-payment of bills, the Company may proceed to collect the customer's account balance in the usual way provided by law for the collection of debts.

XII. Complaints - Adjustment.

- A. If the member believes his bill to be in error, he shall present his claim, in person or in writing, to the Board of Directors before the bill becomes delinquent. Such claim, if made after the bill has become delinquent, shall not ~~be a basis for~~ ^{be a basis for} preventing discontinuance of service, as heretofore provided. ^{COMMISSION OF KENTUCKY} the Member may pay such bill under a protest and said payment shall not prejudice his claim.

PURSUANT TO GOV. RES. 1911,

SECTION 9 (1)

BY: Jordan Chel

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Garrard County Water Association, Inc.

RULES AND REGULATIONS

- B. Meters will be tested at the request of the member upon payment to the Company of the actual cost to the Company of making the test provided, in accordance with 807 KAR 5:006, Sect. 9.

XIII. Abridgement or Modification of Rules.

- A. No promise, agreement or representation of any employee of the Company shall be binding upon the Company except as it shall have been agreed upon in writing, signed and accepted by the acknowledged officers of the Company.
- B. No modification of rates or any of the rules and regulations shall be made by any agent of the Company.
- C. The word "Company" used herein applies to the Garrard County Water Association, Inc. The word "Member" used herein applies to the Members of said Company.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

Jordan C. Keel

DATE OF ISSUE 8-30-84
Month Day Year

DATE EFFECTIVE 7-19-84
Month Day Year

ISSUED BY [Signature]
Name of Officer

President Route 2, Paint Lick, Ky.
Title Address 40461

In the Matter of:

THE APPLICATION OF GARRARD)
COUNTY WATER ASSOCIATION FOR)
APPROVAL OF IT'S WATER SHORTAGE)
RESPONSE REGULATION)

CASE NO. _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: James H. Hille
PUBLIC SERVICE COMMISSION MANAGER

WATER SHORTAGE RESPONSE PLAN

GARRARD COUNTY WATER ASSOCIATION, INC.

Section 1. Purpose. The purpose of this Plan is to provide for the declaration of official phases of water supply shortages and the implementation of voluntary and mandatory water conservation measures throughout the Association, in the event a shortage is declared.

Section 2. Definitions. These terms are applicable only for this Plan unless specifically noted.

- (a) "Customer" shall mean any person or entity using water for any purpose from the Association's, water distribution system and for which either a regular charge is made or, in the case of bulk sales, a cash charge is made at the site of delivery.
- (b) "Raw Water Supplies" shall mean all water potentially available to persons in the Association.
- (c) "Treated Water" shall mean water that has been introduced by the Association, into its water distribution system, including water offered for sale. Uses of treated water are classified as follows:

Essential Water Uses (Class 1):

The following uses of water, listed by site or user type, are essential.

Domestic:

- water necessary to sustain human life, and the lives of domestic pets, and to maintain minimum standards of hygiene and sanitation.

Health Care Facilities:

- patient care and rehabilitation, including related filling and operation of swimming pools.

Water Hauling:

- sales of domestic use where not reasonably available elsewhere.

Public Use:

- firefighting,

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R 5:011.
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- health and public protection purposes, if specifically approved by health officials.

Socially or Economically Important Uses (Class 2):

The following uses of water, listed by site or user type, are socially or economically important.

Domestic:

- personal, in-house water use including kitchen, bathroom and laundry.

Water Hauling:

- non-domestic, when other sources are not reasonably available elsewhere.

Commercial and Civic Use:

- commercial car and truck washes,
- laundromats
- restaurants, clubs and eating places.
- schools, churches, motels/hotels and similar commercial establishments.

Outdoor Non-Commercial Watering:

- minimal watering of vegetable gardens,
- minimal watering of trees where necessary to preserve them.

Outdoor Commercial or Public Watering (using conservation methods and when other sources of water are not available or feasible to use):

- the maintenance of livestock, except water may not be run or hauled to any open, earthen reservoir such as a pond, pool, or spring,
- watering by arboretums and public gardens of national, state, regional or community significance where necessary to preserve specimens,
- watering by commercial nurseries at a minimum level necessary to maintain stock,
- watering at a minimum rate necessary to establish or maintain revegetation or landscape plantings required pursuant to law or regulation,

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PURSUANT TO KRS 220.011,
SECTION 9(1)
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- watering of woody plants where necessary to preserve them,
- minimal watering of golf course greens,
- spraying of crops to control insects or other pests, or to apply growth regulators.

Recreational:

- operation of municipal swimming pools and residential pools that serve more than 25 dwelling units.

Air Conditioning:

- refilling for startup at the beginning of the cooling season,
- makeup of water during the cooling season,
- refilling specifically approved by health officials where the system has been drained for health protection or repair services.

Non-Essential Uses (Class 3):

Any waste of water, as defined herein, is non-essential. The following uses of water, listed by site or user type, are non-essential.

Public Use:

- use of fire hydrants (excluding Class 1 and Class 2 uses), including use of sprinkler tests, testing fire apparatus and fire department drills,
- flushing of sewers and hydrants except as needed to ensure public health and safety, as approved by health officials.

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PURSUANT TO 807 KAR 5:011,
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Signature
PUBLIC SERVICE COMMISSION MANAGER

Commercial and Civic Use:

- serving water in restaurants, clubs, or eating places, except by customer request,
- failure to repair a controllable leak,
- increasing water levels in scenic and recreational ponds and lakes, except for the minimum amount required to support fish and wildlife.

Ornamental Purposes:

- fountains, reflecting pools and artificial waterfalls.

Outdoor Non-Commercial Watering:

- use of water for dirt control or compaction,
- watering of annual or non-woody plants, lawns, parks, golf course fairways, playing fields and other recreational areas,
- washing sidewalks, walkways, driveways, parking lots, tennis courts or other hard-surface areas,
- washing down buildings or structures for purposes other than immediate fire protection,
- flushing gutters or permitting water to run or accumulate in any gutter or street.

Outdoor Commercial or Public Watering:

- expanding nursery facilities, placing new irrigated agricultural land in production, or planting of landscaping except when required by a site design review process,
- use of water for dirt control or compaction,
- watering of lawns, parks, golf course fairways, playing fields and other recreational areas,
- washing sidewalks, walkways, driveways, parking lots, tennis courts or other hard-surface areas,
- washing down buildings or structures for purposes other than immediate fire protection,
- flushing gutters or permitting water to run or accumulate in any gutter or street.

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Recreational uses other than those specified in Class 2, PURSUANT TO KRS 189.5011.

Non-commercial washing of motor and other vehicles. SECTION 9(1)

Air Conditioning (see also Class 2 purposes)

BY: *[Signature]*
SERVICE COMMISSION MANAGER

- refilling cooling towers after draining.

(d) "Base Entitlement" shall mean the monthly usage for a customer during the same month of the preceding calendar year or the average per customer usage for each class of service during the same month of the preceding year.

- (e) "Curtailed Entitlement" shall mean the monthly usage for a customer after any curtailment percentage has been applied.
- (f) "Curtailment" shall mean the reduction in entitlement by some percentage to meet anticipated water shortages, based upon, but not limited to, type of customers, class of service, type of usage and phase of water shortage.
- (g) Water Shortage Response Phases:
 - "Advisory" shall mean that conditions exist which indicate the potential for serious raw or treated water supply shortages.
 - "Alert" shall mean the raw or treated water supplies are consistently below seasonal averages, and if they continue to decline, may not be adequate to meet normal needs.
 - "Emergency" shall mean that raw or treated water supplies are below the level necessary to meet normal needs and that serious shortages exist in the area.
- (h) "Rationing" shall mean that procedures must be established to provide for the equitable distribution of critically-limited raw or treated water supplies, in order to balance demand and limited available supplies, and to assure that sufficient water is available to preserve public health and safety.

Section 3. Applicability. The provisions of this Plan shall apply to all retail and wholesale customers of the Association, when implemented, this Plan becomes the Garrard County Water Association's Water Shortage Response Regulation.

Section 4. Entitlements. Entitlements shall be established for each customer by adjusting the base entitlement to reflect any known change in usage pattern.

Section 5. Determination of Water Shortage. Water supply and usage shall be monitored on a continuous basis. Unrestricted demand shall be projected from past records and adjusted for changes such as new developments and weather conditions on a regular basis. Water shortages generally occur for two reasons, a reduction in available supplies or a system failure. Each of these has a distinct influence on the nature and duration of the conservation program implemented. Official declaration of a water shortage stage and implementation of the measures necessary to curtail water use shall be approved by the Board of Directors of the

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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JUL 22 1988

BY: [Signature]
[Title]
[Title]

Garrard County Water Association.

(Note: The Board of Directors of the Association shall consult with, have a member on, and receive advise from the Garrard County Water Shortage Management Task Force in determining the placing of or removal of any stage of its Water Shortage Response Plan.)

Section 6. Term of Water Shortage Declaration. Any water shortage declaration shall remain in effect until water supplies or service conditions have returned to normal. A final determination as to terminating a water shortage declaration shall be made by the Board of Directors of the Garrard County Water Association.

Section 7. Water Shortage Stage, Criteria, Conservation and Curtailment Measures.

A. Advisory Stage:

- (1) **Criteria:** A water advisory shall be declared when the amount of treated water or raw water available for treatment is projected to be up to 10% below demand, or there are periods of low water pressure in one or more areas of the distribution system due to system failure or inadequacies or the State Division of Water issues a Water Shortage Watch which includes the areas from which the Association draws water.
- (2) **Conservation and Curtailment Measures:**
 - (a) Declare a Water Shortage Advisory.
 - (b) Provide proper notice to all customers and to all local news media.
 - (c) Eliminate all water leaks.
 - (d) Request voluntary conservation of all non-essential (Class 3) water use.

B. Alert Stage:

- PURSUANT TO KRS 224.011,
SECTION 9(1)
- (1) **Criteria:** A water alert shall be declared when the amount of treated water available is projected to be up to 20% below demand, or raw water supplies are consistently below seasonal averages and if they continue to decline, may not be adequate to meet normal needs.
 - (2) **Conservation and Curtailment Measures:**
 - (a) Declare Water Shortage Alert.

- (b) Provide proper notice to all customers and to all local news media.
- (c) Eliminate all water leaks.
- (d) Prohibit all non-essential (Class 3) water uses.

C. Emergency Stage:

1. Criteria: A Water Emergency shall be declared when the amount of treated water available is projected to be up to 40% below demand, or there are periods of no water in one or more areas of the distribution system due to low water supply or raw water supplies below the level necessary to meet normal needs.

2. Conservation and Curtailment Measures:

- (a) Declare Water Shortage Emergency.
- (b) Provide proper notice to all customers and to all local news media.
- (c) Eliminate all water leaks.
- (d) Prohibit all Class 3 uses of water.
- (e) Prohibit all Class 2 uses of water except Domestic uses for kitchens, bathrooms and laundries.
- (f) Curtail Residential entitlements by the same percentage as the projected shortage.
- (g) Curtail all commercial and industrial entitlements (except Health Care Facilities and the maintenance of livestock) by the same percentage as the projected shortage.
- (h) Discontinue the placing of new water services until the water shortage is abated.
- (i) Begin billing customers a drought surcharge of \$3.00 per thousand or portion thereof of all water used (both metered and bulk sales). *customers will be entitled to 2,000 gallons per month before applying the surcharge.*

JUL 22 1988

PURSUANT TO 807 AND 8011,

SECTION 9 (1)

PUBLIC SERVICE COMMISSION MANAGER

D. Rationing Stage:

1. Criteria: Treated water available is greater than 50% below demand or raw water supplies are below the level necessary to meet essential needs, and in

the opinion of the Board of Directors, mandatory rationing is required to insure adequate water is available to maintain public health and safety.

2. Conservation and Curtailment Measures:

- (a) Declare Water Shortage Rationing.
- (b) Provide proper notice to all customers of their individual allotment as well as notifying the general public by local news media.
- (c) Eliminate all water leaks.
- (d) Prohibit all Class 3 and Class 2 uses of water.
- (e) Curtail all commercial and industrial entitlement (except Health Care Facilities and the maintenance of livestock) by the same percentage as the projected shortage.
- (f) Curtail all residential entitlements by the same percentage as the projected shortage.
- (g) Implement service interruptions to portions of system in accordance with approved published schedule. The schedule shall be provided to all local media.
- (h) Discontinue the setting of new water services until the water shortage is abated.
- (i) Close all public loading (bulk sales) stations. PUBLIC SERVICE COMMISSION. EFFECTIVE
- (j) Institute an excess use charge to be applied to any water use above an individual's allotment. The excess use charge shall be applied as follows:

Excess Usage Per Month

First 2,000 gallons or portion thereof

Each 1,000 gallons or portion thereof, thereafter

PURSUANT TO 807 KAR 5:011, Charge for Excess

\$7.00 per 1,000 gallons or portion thereof

\$15.00

BY: [Signature] PUBLIC SERVICE COMMISSION MANAGER

Section 8. Enforcement of Water Restriction. Any person who violates the provisions of this Plan, who fails to carry out the duties and responsibilities imposed by this Plan, or who impedes or interferes with any action undertaken or ordered pursuant to this Plan shall be subject to the following:

- (a) If the utility official charged with implementation and enforcement of this Plan learns of any violation of any water use restriction imposed, a written notice of the violation shall be affixed to the property where the violation occurred and mailed to the customer of record. Said notice shall describe the violation and order that it be corrected, cured, or abated immediately or within 48 hours.
- (b) The notice will inform the customer of his or her right to appeal by requesting a hearing before the utility's designee written forty eight (48) hours from time of issuance of written notice. If a hearing is requested by the customer, he or she shall be given full opportunity to be heard with his or her counsel present at the appellee's own discretion before termination. The governing body shall make findings of fact and decide whether service should continue or terminate.
- (c) Any customer whose water service is terminated for violating provisions of this water curtailment plan shall be subject to the approved reconnection fee prior to reconnection of service.
- (d) The excess usage charge billing provisions of this Plan shall not be put in effect if a county or city ordinance containing penalty provisions is in effect to assist enforcement of this Plan.

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Section 9. Request for Exception.

- (a) Exception to water use restrictions may be granted if compliance with any curtailment measure authorized herein would cause a customer to bear extraordinary hardship, that individual or entity may apply to the Association for an exception. For these purposes, "extraordinary hardship" shall be defined as a condition which may threaten health and safety, or cause property or economic losses, each of which must be shown to be substantially more severe than the sacrifices borne by other users. If extraordinary hardship is found to exist, then an exception shall be granted and a written waiver issued to the customer. If an appeal is made, water service shall be continued until a decision is announced. Procedures for taking appeal shall be the same as those wherein violations are appealed and shall conform to all time and notice provisions of violation procedures. Any person aggrieved by the decision may file a complaint with the Public Service Commission.
- (b) Exception to curtailment surcharge: Exceptions to excess use charges shall not be considered or granted.

Section 10. Severability. If any provision of this Plan is declared invalid by the courts, the remainder of the Plan and its

Section 11. Effective Date. This Plan shall take effect immediately upon approval by the Public Service Commission.

PURSUANT TO 807 A.M. JULI,
SECTION 9 (1)
BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER

Garrard County Water Association, Inc.

315 LEXINGTON ROAD

LANCASTER, KENTUCKY 40444

TELEPHONE 792-4561

REGULATIONS OF GARRARD COUNTY WATER ASSOCIATION REGARDING DISTRIBUTION LINE EXTENSIONS MADE FOR INDIVIDUAL RESIDENCES AND SUBDIVISIONS

A. The following regulations address approval of any extension and require compliance prior to the initiation of any construction by a developer.

1. Three copies of the plat of the proposed extension shall be submitted to the Association. These shall be submitted to the Association's engineering firm for comments in design and compatability to the existing system. Said plats must bear the seal of a civil engineer.

2. Following approval or revision by the Association's engineering firm, said plats must be submitted to the Division of Water in Frankfort for approval. This submittal will be handled by the Association's office.

3. Costs of the proposed extension shall be submitted to the Association on a "line item basis." Each item in the proposed construction shall have an exact cost stated. These costs shall require approval by the Board of Directors of the Garrard County Water Association.

4. All right-of-way easements shall be drawn in proper legal form and submitted to the Association. Right-of-way easements shall extend to the boundaries of the property or properties involved.

5. The party or parties involved with the proposed extension shall enter into a binding agreement with the Association stating the nature of the extension and the duties and responsibilities of both the developer and the Association.

6. Following satisfactory completion of the above regulations the Board of Directors shall then give final approval to the proposed extension provided no circumstances exist making delay prudent. Construction may begin with written notice from the Association. The Association reserves the right to require at its discretion a performance or cash bond should the Board of Directors deem it necessary and proper.

B. Construction standards and requirements:

1. Distribution line will be sized to the requirements of

the proposed project and will be a minimum of 4 inch pipe with 160 P.S.I. rated or greater if pressures dictate. Line size greater than 4 inch may be required to accommodate future extension(s).

2. Distribution line will be installed with a minimum of 30 inches of cover. All line will be bedded top and bottom with 6 inches of clean dirt, or if unavailable, #11 grave. All rock areas will require the #11 gravel.

3. All tees and ells will be cast iron type and installed with concrete blocking.

4. Valves will be iron body type with operating nut installed with a steel valve box. Concrete blocking will be required as needed.

5. All taps and final connections will be observed by Garrard County Water Association personnel to insure the integrity of the existing system.

6. Construction inspection will be done by Association personnel. All construction must be observed by the inspector prior to backfilling. An inspection charge of \$20.00 per hour will be the responsibility of the developer.

7. When all construction is in place the new line will be pressure tested for a minimum of 8 hours. The new line must be flushed and then sterilized and reflushed. Association personnel will take a water sample for analysis. New line will be put in service only after a clean test. All costs of flushing and testing will be the responsibility of the developer.

8. The developer will be held financially responsible to ensure that all of the above guidelines are followed and to inform his contractor of these requirements.

9. The developer will be responsible for maintenance costs and water lost due to a rupture or break in the extension for one year following the date of completion of the extension. At the end of the one year period mentioned herein the developer will convey the extension to the Association, at which time the Association will assume ownership and be responsible for maintaining the line.

10. In some situations the Association may require the developer to install meter sets at the same time distribution line is installed (generally in "enclosed" sub-divisions with streets and curbing). Meter sets will have the following requirements: Concrete meter boxes, 200 P.S.I. flexible service line, corporation stops on saddles, and copper setters must have a locking device and check-valve incorporated in them.

(Specifications subject to change without notice)